

P R E S S R E L E A S E

Choo Chiang Holdings Ltd. launches IPO on SGX Catalist

- *One of Singapore's leading retailers and distributors of electrical products and accessories with a retail presence of more than 20 years*
- *Offer comprises 33.28 million Vendor Shares at S\$0.35 each*
- *Intends to recommend and distribute dividends of not less than 30% of the Group's net profit attributable to its shareholders in each of FY2015 and FY2016*

SINGAPORE, 15 July 2015 – Choo Chiang Holdings Ltd. (“Choo Chiang” and together with its subsidiaries, the “Group”), a home-grown retailer and distributor of electrical products and accessories, today launched its initial public offering (the “IPO” or the “Invitation”) of 33.28 million shares (the “Invitation Shares”) at S\$0.35 per share, in conjunction with its proposed listing on Catalist, the sponsor-supervised listing platform of the Singapore Exchange Securities Trading Limited (the “SGX-ST”).

CIMB Bank Berhad, Singapore Branch is the Sponsor and Issue Manager and **CIMB Securities (Singapore) Pte. Ltd.** is the Underwriter and Placement Agent for this IPO.

The Invitation

The Invitation comprises 33.28 million Vendor Shares. At S\$0.35 per share, the Invitation is priced at a price earnings ratio of 12.41 times based on the Group's historical earnings per share of 2.82 cents for the financial year ended 31 December 2014 (“FY2014”) and the existing issued share capital of 208 million shares. Based on the Invitation Price and the existing issued share capital of 208 million shares, the market capitalisation of Choo Chiang will be S\$72.8 million. The Invitation opens on 15 July 2015 and will close at 12 noon on 27 July 2015. The listing and trading of Choo Chiang's shares is expected to commence on a “ready” basis at 9.00 a.m. on 29 July 2015.

Summary of Investment Highlights

1. Dividend policy: The Group's directors intend to recommend and distribute dividends of not less than 30% of the Group's net profits attributable to its shareholders in each of FY2015 and FY2016⁽¹⁾
2. Track record of over 20 years

(1) Please refer to the section entitled “Dividend Policy” of the Offer Document for further details.

3. Wide retail network of nine strategically located retail branches across Singapore
4. Extensive range of electrical products and accessories from well-established third party brands and the Group's proprietary brands
5. A committed and experienced management team

About Choo Chiang Holdings Ltd.

Starting out as a trader and retailer of electrical products, appliances and accessories in 1977, Choo Chiang is today one of Singapore's largest and leading suppliers and retailers of electrical products and accessories with a local retail presence of more than 20 years. It has two business segments, namely distribution business and property investment, with the former being the Group's primary revenue generator.

The Group carries numerous brands of third party electrical products and accessories which are sourced from manufacturers based in France, Germany, Japan, the Netherlands and/or its Singapore-based distributors. They include notable brands such as *Hager*, *Legrand*, *Schneider*, *MK*, *Philips*, *KDK* and *Bosch*. In addition, the Group engages third party contract manufacturers based in the People's Republic of China, Malaysia, Singapore and India to manufacture its proprietary range of "CCM" and "CRM" brand products based on its specifications and/or on an original equipment manufacturer (OEM) basis.

Choo Chiang has eight product categories, including electrical cables and cable accessories; light switches, circuit breakers and accessories; lightning accessories; trunking and pipes; air-conditioner accessories; light fixtures and accessories; ventilating, wall-mounted and ceiling fans; and power drills and handheld tools.

With nine retail branches strategically located across different parts of Singapore, a fleet of approximately 20 delivery trucks and vans, and its extensive and well-stocked range of electrical products and accessories, Choo Chiang is able to quickly and efficiently deliver its products to its wide customer base that comprises electrical contractors, interior designers and walk-in customers. Over the last 20 years, the Group has forged strong and long-term relationships with its suppliers, which it believes enables it to keep abreast of the latest industry developments and have access to a broad range of products at competitive prices.

As a testament of its commitment to quality, Choo Chiang has bagged numerous awards and certifications over the years, including being named Legrand's Top Customer of the Year for eleven consecutive years since 2004 and Singapore SME 500 Company by DP Information Group in 2006 to 2008. The Group also received the bizSAFE Level 3 certificate in 2012 and ISO 9001:2008 (Quality Management System Standards) certificate.

Choo Chiang currently owns 13 investment properties, the majority of which are rented out to third parties and from which the Group derives rental income. These properties have a net book value of approximately S\$15.25 million as at 31 December 2014 and a market value of approximately S\$20.05 million as at 30 April 2015⁽²⁾. Revenue from this business segment accounted for less than 1% of the Group's total revenue in each of FY2012, FY2013 and FY2014.

Executive Chairman and CEO, Mr Thomas Lim (林德全) commented, *"With our established 20-year track record in this business, Choo Chiang has become one of the largest and leading providers of electrical products and accessories in Singapore. We are recognised for providing an efficient one-stop service which enables us to cater to the needs of our wide customer base thanks largely to our strong relationships with our suppliers, extensive range of electrical products and accessories and nine strategically located retail stores throughout the island. We believe these competitive strengths, together with our experienced management team, holds us in good stead as we take our business to the next level of growth."*

Choo Chiang is spearheaded by Mr Thomas Lim and our Executive Director, Mr Rocky Lim (林德成), who each have over 40 years of experience in the industry and are supported by a team of experienced executive officers.

Prospects, Business Strategies and Future Plans

As its products are widely and mainly used in industrial and residential settings, the Group's business prospects and demand for its products are primarily driven by the general economic conditions and activities in the construction and property markets in Singapore. According to authorities, Singapore's economic growth forecast for 2015 is maintained at 2.0% to 4.0%⁽³⁾ while the public construction demand is anticipated to be stable with the aggregate value of construction contracts expected to reach between S\$29.0 billion to S\$36.0 billion in 2015, given a sustainable pipeline of public sector

(2) Aggregate market values based on the Valuer's Report by the Independent Valuer, Vantage Valuers & Property Consultants Pte Ltd

(3) Ministry of Trade and Industry (MTI) press release dated 26 May 2015 entitled "MTI Maintains 2015 GDP Growth Forecast at 2.0 to 4.0 Per Cent"

projects⁽⁴⁾.

The Group plans to reinforce and strengthen its market position in Singapore, widen its product range and expand its operations into overseas markets through the setting up of retail branches, acquisitions, joint ventures and/or strategic collaborations with parties in other countries, subject to economic and market conditions.

Mr Thomas Lim further elaborated, *“We plan to leverage on our market position to increase our market share in Singapore and, subject to the availability of good locations and other relevant business considerations, it is our current intention to open new retail branch(es) in Singapore in FY2015. At the same time, we plan to widen our proprietary range of “CCM” and “CRM” brand products.”*

Financial Highlights

The Group recorded revenues of S\$70.95 million, S\$74.96 million and S\$70.44 million in FY2012, FY2013, and FY2014 respectively. In a bid to maintain its competitiveness and to attract new customers, the Group adopted a competitive pricing strategy in FY2014 which resulted in a 6.0% dip in revenue compared to FY2013. Net profit attributable to the Group’s shareholders for FY2014 stood at S\$6.02 million.

Use of Proceeds

The net proceeds raised of approximately S\$10.65 million will be paid to the Vendors, Lim Trust Pte. Ltd. (“**Lim Trust**”) and Rhodus Capital Limited (“**Rhodus**”), in the proportion of the number of Invitation Shares offered by each of them. Mr Thomas Lim and Mr Rocky Lim hold a 90% and 10% interest in Lim Trust respectively while Rhodus is an investment holding company.

Issued for and on behalf of Choo Chiang Holdings Ltd. by

August Consulting

Tel: +65 6733 8873

Silvia Heng, silviaheng@august.com.sg

Ho Lily, lilyho@august.com.sg

Serene Chia, serenechia@august.com.sg

(4) Building and Construction Authority (BCA) news release dated 8 January 2015 and entitled “Public sector projects to sustain construction demand in 2015”

IMPORTANT NOTICE

This press release and any accompanying materials (if any) (the “**Press Release**”) are made for informational purposes, without regard to the objectives, financial situation nor needs of any specific persons. Accordingly, no reliance whatsoever should be placed upon the information set out herein.

This Press Release does not constitute or form any part of an offer of, or invitation or solicitation to purchase any securities in Choo Chiang Holdings Ltd. nor shall it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever.

The information in this Press Release is based on information found in the offer document of Choo Chiang Holdings Ltd. dated 15 July 2015 (the “**Offer Document**”) that has been registered by the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore. Words and expressions not defined in this Press Release have the same meaning as defined in the Offer Document unless the context requires otherwise.

This Press Release does not purport to be complete and is qualified in its entirety by, and should be read in conjunction with, the full text of the Offer Document, including but not limited to the sections entitled “Risk Factors” and “Cautionary Note On Forward-Looking Statements” of the Offer Document. Choo Chiang Holdings Ltd. does not make any representation or warranty, express or implied, as to the accuracy of the information contained herein, and expressly disclaim any and all liability based, in whole or in part, on such information, errors therein or omissions therefrom. This Press Release includes forward-looking statements provided with respect to the anticipated future performance of Choo Chiang Holdings Ltd.. Such forward-looking statements reflect various assumptions of the management concerning the future performance of Choo Chiang Holdings Ltd.. Accordingly, there can be no assurance that such projections and forward-looking statements will be realised. The actual results may vary from the anticipated results and such variation may be material. No representations or warranties are made as to the accuracy or reasonableness of such assumptions or the forward-looking statements based thereon.

A potential investor should read the Offer Document before deciding to purchase the Shares. Any decision to purchase any securities must be made solely on the basis of information contained in the Offer Document. Anyone who wishes to purchase the Invitation Shares shall make an application in the manner set out in the Offer Document.

Copies of the Offer Document and the Application Forms may be obtained on request, subject to availability during office hours, from CIMB Securities (Singapore) Pte. Ltd., CIMB Investment Centre, 50 Raffles Place, #01-01, Singapore Land Tower, Singapore 048623. A copy of the Offer Document is also available on the SGX-ST website <http://www.sgx.com>.

This document has been reviewed by the Company’s sponsor, CIMB Bank Berhad, Singapore Branch (“Sponsor”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”), this being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this document.

This document has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this document including the correctness of any of the statements or opinions made or reports contained in this document.

The contact persons for the Sponsor are Yee Chia Hsing, Head, Catalist, Investment Banking, Singapore, and Tan Cher Ting, Director, Investment Banking, Singapore. The contact particulars are 50 Raffles Place, #09-01, Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.